

10. Outer Continental Shelf (OCS)

BACKGROUND

Historically, the Town has been opposed to any offshore exploration for or production of oil or natural gas in the vicinity of the Outer Banks. Such activity would be incompatible to the desires of the Town, its established tourist industry, its fishing industry, and the preservation of natural and public trust areas -- all particularly dependant upon uninterrupted ocean and groundwater of the highest quality.

North Carolina Governor Jim Hunt signed an executive order in November, 1997 enabling North Carolina to conduct a rigorous review of Chevron USA=s proposal to drill an exploratory oil or natural gas well off the North Carolina coast. The order puts into immediate effect the Coastal Resources Commission=s energy policies which were amended in November, 1996 to improve the State=s ability to review exploration proposals. Without the Governor=s order, the policies could not become effective until August, 1998.

The State will review Chevron=s proposal rigorously and ensure the protection of North Carolina=s vitally important coastal areas. Chevron has not submitted a formal drilling plan and a schedule has not been published. Chevron wants to drill one exploratory well, possibly in the year 2000, in either block 467 or block 510 of the Manteo Exploration Unit. The Manteo Unit is about 40 miles northeast of Cape Hatteras. Block 467 is the same block Mobil Oil proposed drilling in 1990. Block 510 is adjacent to that block. The two sites that Chevron is considering are about 9,000 feet apart.

The Manteo Exploration Unit is in Federal waters. Chevron holds active leases within that unit. Those leases give Chevron the right to seek permits for drilling.

Concerning whether off shore oil and natural gas exploration should be supported, 67.5% of survey respondents disagreed or strongly disagreed while only 21.5% agreed or strongly agreed.

A policy identical to the policy which follows was included in the 1993 Update and the